GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1284
ANSWERED ON:23.07.2002
RECOVERY OF MONEY INVOLVED IN UREA SCAM
BIR SING MAHATO;MADAN PRASAD JAISWAL

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government have not recovered the full amount of Rs. 133 crore involved in the urea scam so far;

(b) if so, the difficulties being faced by the Government in this regard;

(c) the reasons for not making efforts to initiate arbitration proceedings against the guilty persons to recover the entire amount; and

(d) the steps taken by the Government to initiate arbitration proceedings?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR)

(a) & (b): Yes Sir. The legal process for recovery pending against the individuals of various countries and locations is proving time consuming. Besides, the letter rogatory sent to UAE,Greece and Kazakhstan remains to be executed for tracing and freezing accounts.

(c) & (d): In order to recover the advance payment from M/s. Karsan Ltd., M/s. National Fertilizers Limited (NFL) had initiated arbitration proceedings in accordance with the contractual provision of the agreement in the International Chamber of Commerce (ICC), Paris.The International Court of Arbitration (ICA) delivered the Award for US$ 41 million in favour of NFL.However, the ICC award has been challenged by M/s. Karsan in the District Court at Amsterdam. The Dutch Court vide its judgement dated 10.12.2001 had rejected the challenge of Karsan and ordered execution of award. M/s. Karsan has now appealed against this order before the Dutch High Court.